Arizona Health Care Cost Containment System
Arizona Department of Health Services

Children's Rehabilitative Services

Report for Contract Year 2006

External Quality Review Organization Annual Report

Submitted by
HCE QualityQuest, Incorporated
Phoenix, Arizona

Arizona Health Care Cost Containment System (AHCCCS)
Contract Year 2006
EQRO Annual Report
Children's Rehabilitative Services Administration

EXECUTIVE SUMMARY

The Children's Rehabilitative Services (CRS) program is administered through the Arizona Department of Health Services (ADHS), Division of Public Health Services/Office for Children with Special Health Care Needs (DPHS/OCSHN). Children's Rehabilitative Services Administration (CRSA) provides a limited scope of services to children who have specific medical, disabling, or potentially disabling conditions which have the potential for functional improvement. The most common conditions are cerebral palsy, congenital circulatory problems, and congenital musculoskeletal deformities. Arizona Health Care Cost Containment System (AHCCCS) eligible CRS children are concurrently enrolled in an AHCCCS Acute Care or Arizona Long Term Care System (ALTCS) Contractor for their primary health care needs.

The purpose of this EQRO Annual Report is to evaluate the Children's Rehabilitative Services Administration's compliance with the Balanced Budget Act of 1997 (BBA) requirements applicable to CRSA as a prepaid inpatient health plan (PIHP). This review is limited to three areas: performance measures, performance improvement projects (PIPs), and compliance with federal and state regulations.

CRS recipients are included in the AHCCCS Acute Care or ALTCS population from which samples are drawn for Acute Care or ALTCS plan performance measures. Because CRS recipients are concurrently enrolled in an Acute Care or ALTCS Contractor, the performance measurement process established for Acute Care or ALTCS Contractors is not applicable to CRSA, and until this year CRSA has not been required to participate in the performance measurement process. AHCCCS has modified the CYE 2006 contract with CRSA to include three performance measures that CRSA must monitor and report their findings to AHCCCS. The performance measures are listed below.

- Preliminary determination of medical eligibility
- Timeliness of initial evaluation
- First appointment with CRS specialty provider

Data for these performance measures were due to AHCCCS on October 1, 2006. While CRSA did meet the scheduled reporting date, AHCCCS was unable to calculate rates or complete statistical analysis for any of the measures due to numerous problems with the data provided by CRSA.

CRSA is not included in the mandatory performance improvement projects designed by AHCCCS for the Acute Care/ALTCS contractors. These are usually focused on primary care services that are not provided by CRSA. However, CRSA has been required to develop its own performance improvement projects.

Guidelines for performance improvement projects are included in the AHCCCS Medical Policy Manual (AMPM) and participation in performance improvement projects is a contract requirement. CRSA has a history of starting PIPs and not completing them, primarily because they were poorly designed. In the past three years CRSA has failed to

complete a Performance Improvement Project. As a result, this year (CYE 2006), AHCCCS has included a specific performance improvement project on Transition Services for Youth in the CRSA contract. A required methodology and reporting structure were also included in the contract.

A baseline report on this performance improvement project was due to AHCCCS on October 1, 2005. CRSA met the deadline by submitting a report stating that they were unable to calculate the percentage of youth with a documented transition plan. AHCCCS did not accept this report and requested additional analysis. In response, CRSA acknowledged that the percentage of children in the sample with a documented transition plan is zero. A barrier analysis was completed and interventions are ongoing at this time. A second PIP is in the proposal phase and will be reviewed in the next contract year.

AHCCCS has a written *Quality Assessment and Performance Improvement Strategy* to comply with the BBA requirement. On a regularly scheduled basis, AHCCCS monitors and evaluates access to care, organizational structure and operations, clinical and non-clinical quality measures, and performance improvement outcomes. This monitoring is accomplished through ongoing report and document review, regular meetings with CRSA staff, and an annual on-site operational and financial review (OFR). The process is thorough, complete, and well documented by AHCCCS.

Data for three years of Operational and Financial reviews are included in this report. Improvement has been made in the area of General Administration, Delivery Systems, and Recipient Services compared to 2005. Despite some improvement in selected program areas, overall compliance continues to be disappointing. As evidenced by the data, CRSA is in full compliance with only 26% of the standards reviewed this contract year and is non-compliant with 51% of the standards.

At the time of this review, CRSA had been operating under a Notice to Cure for 12 months. The Notice to Cure process is used by AHCCCS prior to imposing sanctions for noncompliance with contract requirements. Significant quality of care concerns and lack of a quality management structure are what prompted the Notice to Cure. Some issues such as staffing, committee structure and oversight of delegated functions are longstanding problems for CRSA. Many of these areas had documentation to indicate improvements were made during this contract year, but too late in the contract year to have a significant impact on the outcome of this review. It is anticipated that the CYE 2007 EQRO review will demonstrate major improvements in performance measures, performance improvement projects, and compliance with federal and state regulations.

I. INTRODUCTION

Arizona's Medicaid program, known as the Arizona Health Care Cost Containment System (AHCCCS), was formed in 1982 and was the first Medicaid program in the United States to be granted an 1115 Waiver. This waiver refers to a certain provision of the Social Security Act that outlines specific requirements for Medicaid. The waiver allows Arizona to operate a demonstration project using a managed care model for the delivery of health care services.

Prior to the implementation of the AHCCCS program, CRS was known in Arizona as the Society for Crippled Children. This society was founded in 1929 as a private charitable organization caring for poor children suffering from the effects of poliomyelitis and other conditions such as club foot. In 1935 the Social Security Act provided federal money to be used for the operation of this program. Today the program is known as Children's Rehabilitative Services. The CRS program is currently administered through the Arizona Department of Health Services (ADHS), Division of Public Health Services/Office for Children with Special Health Care Needs (DPHS/OCSHN). In Arizona the Medicaid program and the CRS program have been managed by two independent state agencies.

Under the Balanced Budget Act (BBA) of 1997, CRS is classified as a prepaid inpatient health plan (PIHP) and therefore is accountable for evaluating, measuring, and ultimately improving the quality of care delivered to members. AHCCCS modified its contract with ADHS/CRS to include those elements that are required to be monitored and measured.

It is important to note that all Medicaid eligible children are assigned to an AHCCCS Acute Care or ALTCS Contractor for their acute, long term, and preventative health care needs. However, for those specifically defined conditions covered by CRS, services are provided through a network of four CRS regional contractors (clinics). The regional contractors are located in Flagstaff, Phoenix, Tucson and Yuma. These entities are responsible for establishing a network of providers, therapists, and other appropriate facilities and services to meet the care needs related to the covered conditions of eligible CRS recipients within their contracted geographic service area (GSA). When a child is identified with a CRS covered condition, the child is referred by the Acute Care or ALTCS Contractor to CRS for evaluation. If the evaluation verifies that a child's condition qualifies for CRS coverage, the child must receive all care for that condition from a CRS clinic and its contracted provider network. All Medicaid enrolled children with a CRS qualifying condition are essentially enrolled in two health care systems.

Each Medicaid eligible child in CRS is included in the Acute Care or ALTCS contractors' performance improvement projects and performance measures. The standard performance improvement projects and performance measures mandated by AHCCCS for the Acute Care/ALTCS Contractors have been based on traditional Health Plan Employer Data and Information Set (HEDIS®) measures, such as immunization rates and well-child visits. These are not services provided by CRS. As a result, CRS is in a unique position. Until recently, performance improvement projects required of CRS have been self-selected and specific performance measures have not been contractually required. This changed with the contract renewal effective July 1, 2005. AHCCCS

identified specific performance measures for CRS and identified the methodology for a specific performance improvement project to begin in CYE 2006.

The BBA of 1997 requires states to review health plan compliance with federal and state law regarding managed care systems every three years. An annual External Quality Review Organization (EQRO) report is also required. AHCCCS contracted with HCE QualityQuest to perform this EQRO Annual Report for CRS for contract year 2006. This report is limited to a review of three areas: performance measures, performance improvement projects, and compliance with federal and state regulations.

II. REVIEW, ANALYSIS, AND SUMMARY OF PERFORMANCE MEASURES

AHCCCS, as described in its Quality Assessment and Performance Improvement Strategy, recognizes the need for identifying, tracking, and trending performance measures as a component of assessing the overall quality of care delivered to its members. AHCCCS recognizes for these measures to be reliable and valid, the methodology used must be sound and based on nationally recognized standards. AHCCCS uses the Health Plan Employer Data and Information Set (HEDIS®) to measure performance in its acute care plans. HEDIS® was developed by the National Committee for Quality Assurance (NCQA) and first released in 1993. It is considered the national standard for measuring and reporting health plan performance.

In addition to identifying the performance measures, AHCCCS identifies a minimum performance standard, a goal, and a benchmark for each measure. The benchmarks are based on the goals for health promotion and disease prevention developed by the U.S. Department of Health and Human Services as part of its Healthy People 2000 or 2010 publication. Acute Care/ALTCS Contractors are contractually required to participate in performance measures. Contractors that do not meet the minimum standards must submit a corrective action plan for review and approval by AHCCCS. All health plans are expected to continuously improve their performance measures.

Medicaid eligible CRS recipients are enrolled in the AHCCCS program and assigned to an Acute Care or ALTCS Contractor for their primary health care needs. CRSA is only responsible for services directly related to specific conditions covered by CRS such as spina bifida or cerebral palsy. The Acute Care or ALTCS Contractor is ultimately responsible for the delivery of all medically necessary health care services. CRS recipients are included in the Acute Care or ALTCS Contractor population from which samples are drawn for Contractor performance measures. For example, when measuring immunization rates for two-year-old children, all two-year-old children may be included in the sample, even those receiving specialized services through CRSA.

Because CRS recipients are concurrently enrolled in an Acute Care or ALTCS Contractor, the performance measurement process established for Acute Care or ALTCS Contractors is not applicable, and until this year CRSA has not been required to participate in the performance measurement process. CRSA has produced reports that it refers to as performance measures, but these have historically been standard utilization management reports. Beginning July 1, 2005 (CYE 2006), AHCCCS has included in its contract renewal with CRSA three performance measures that CRSA must report on annually. These performance measures are identified below.

- Preliminary determination of medical eligibility
- Timeliness of initial evaluation
- First appointment with CRS specialty provider

These measures are unique to the CRS program and are reflective of the services provided by CRSA. AHCCCS has delineated the methodology to be used and

established minimum performance standards for each measure. Data for these performance measures were due to AHCCCS on October 1, 2006.

AHCCCS did follow-up with CRSA during the course of the year to ensure that data would be available to measure performance. In June 2006, AHCCCS sent a reminder letter to CRSA outlining the contractual requirements. CRSA responded that they would meet the reporting deadline and identified no problems collecting the required data.

Performance Measures were addressed at the Operational and Financial Review conducted by AHCCCS later in June. At that time AHCCCS commented that while CRSA was collecting and analyzing data for performance measures on a monthly basis by regional clinic, an overall rate for each measure was not available. In addition, a process for reporting performance, internally and to AHCCCS, was not documented. CRSA staff reported a policy and procedure for collecting and reporting performance measures had not been developed yet.

While CRSA did meet the scheduled reporting date, AHCCCS was unable to calculate rates or complete statistical analysis of any of the CRS performance measures due to numerous problems with the data provided by CRSA. CRSA did re-submit corrected data on performance measures in January of 2007. At the time of this review, no data was available to validate performance measures. Data validation on performance measures should be included in future reviews.

III. REVIEW, ANALYSIS, AND SUMMARY OF PERFORMANCE IMPROVEMENTS PROJECTS

Performance Improvement Projects (PIPs) are part of the overall AHCCCS Quality Assessment and Performance Improvement Strategy. The requirement to design and implement performance improvement projects is included in the AHCCCS contract with CRSA. The guidelines for conducting PIPs are detailed in the AHCCCS Medical Policy Manual (AMPM), Policy 980, Chapter 900.

The AHCCCS Medical Policy Manual complies with the protocols published by the Centers for Medicare and Medicaid Services (CMS). These protocols state that "The purpose of PIPs is to assess and improve processes, and thereby, outcomes of care. In order for such projects to achieve real improvements in care, and for interested parties to have confidence in the reported improvements, PIPs must be designed, conducted and reported in a methodologically sound manner." [1]

As required in 42 CFR 438.236, performance improvement projects shall include the following components.

- Identify clinical or non-clinical areas for improvement
- Gather baseline data from administrative data and other sources
- Design and implement interventions
- Measure the effectiveness of the intervention
- Maintain and sustain the improvement

Performance improvement projects are intended to take four years to complete. AHCCCS requires that a baseline measurement be established at the end of the first year. In year two (2) the emphasis is on intervention. A re-measurement to determine if improvement has been made is conducted in year three (3). If improvement is demonstrated, the measurement is repeated in the fourth year to document sustained improvement.

AHCCCS requires all contractors to submit, on an annual basis, a quality management (QM) and evaluation plan. The QM plan is the vehicle used to propose new PIPs and provide updates and progress reports on those in process. AHCCCS must approve all PIP proposals prior to implementation. AHCCCS incorporated the following steps into a tool for Quality Management staff to use in reviewing PIP proposals.

- Review the selected study topic(s)
- Review the study question(s)
- Review selected study indicator(s)
- Review the identified study population
- Review sampling methods (if sampling was used)
- Review the MCO/PIHP's data collection procedures
- Assess the MCO/PIHP's improvement strategies
- Review data analysis and interpretation of study results

- Assess the likelihood that reported improvement is "real" improvement
- Assess whether the MCO/PIHP has sustained its documented improvement

At the time of this review, CRSA was actively working on only one performance improvement project, Improving Pediatric-to-Adult Transition Services. However, CRSA was still contractually obligated to complete another performance improvement project for CYE 2003. In 2004 CRSA started a project on WeeFIM Assessments designed to measure the functional independence of children. This performance improvement project was reviewed in an earlier EQRO report. After a baseline measurement and one follow-up measurement CRSA reported 100% compliance with its contractors completing a WeeFIM assessment and expected that the project would end. Ending the project at this point demonstrated a lack of understanding of the purpose and intent of performance improvement projects, as each project is intended to occur over a three to four year period.

In February 2005, AHCCCS asked CRSA to revise the report and identified four recommendations. CRSA was told that the project was not completed and that it must continue with the re-measurement and re-evaluation process. In June of 2005, it appears that CRSA unilaterally decided not to complete the WeeFIM PIP.

In July 2005, CRSA argued that the WeeFIM tool was not an adequate tool for assessing the functional status of children with spina bifida and cerebral palsy. CRSA identified a more sensitive tool and wanted to revise the PIP. In an August 2005 letter, AHCCCS told CRSA to revise the PIP methodology and submit it for approval by October 1, 2005. In October of 2005, CRSA submitted a "revised" proposal that essentially changed the project to focus on a Quality of Life Measure which is reviewed later in this report.

Improving Pediatric to Adult Transition Services for Youth

This proposal was submitted by CRSA in December 2004. In February 2005, AHCCCS requested numerous changes to the methodology and made several recommendations. During the course of the following year AHCCCS worked with CRSA to revise the methodology for this project. After several attempts by CRSA, AHCCCS drafted the methodology and incorporated it in the contract renewal for CYE 2006. The proposal included in the contract renewal is reviewed below.

A. Objectives

The purpose of this project is to improve transition services for adolescents receiving services through CRSA. Transition planning allows young people to optimize their ability to function as adults. CRSA requires its Regional Contractors to initiate transition services for recipients at 14 years of age. This project was designed to determine the percentage of children who have documented transition plans initiated and to develop interventions aimed at eliminating the barriers to providing these services when identified.

B. Description of Data Collection Methodology

Two study questions are identified in this PIP proposal.

- What percent of members within the measurement period have a transition plan initiated and documented in the medical record by their 15th birthday?
- How do the percentages compare by CRS contractor site?

The study indicator is identified as the percent of enrolled members with a documented transition plan initiated by their 15th birthday. The study indicator adequately supports the study question. The indicator criterion states the following.

> "Documentation must include the date on which a transition plan was initiated and must be in the member's medical record. The planning process may take place via telephone call or by patient encounter in a clinic. Mailing of an information letter or packet without documentation of a subsequent telephone call or encounter to discuss transition is not sufficient documentation of a transition plan. Documentation must specifically reference transition, and must be documented by the 15th birthday."

The population to be included in the study is described as "CRS members enrolled in AHCCCS or KidsCare who turned 15 years of age on or between July 1, 2003 and June 30, 2004 and were continuously enrolled for 12 months prior to and including their 15th birthdays."

The PIP calls for selecting a stratified random sample using a 95 percent confidence level and a confidence interval of +/-5 percent. The denominator is defined as "The number of CRS members who turned 15 years of age on or between July 1, 2003 and June 30, 2004, and who were continuously enrolled in CRS for 12 months prior to and including their 15th birthdays, and were concurrently enrolled in AHCCCS." The numerator is defined as "The number of members in the denominator who have a transition plan initiated and documented in the medical record by the 15th birthday."

C. Description of the Data

A baseline report was submitted in October of 2005 in which CRSA stated that a lack of documentation in sample members' medical records "led to an inability to calculate the percentage of youth with documented transition plans." AHCCCS did not accept this report and required additional baseline analysis from CRSA. This was submitted in March 2006. In the revised baseline report CRSA acknowledges that the percentage of children in the sample with a documented transition plan is zero. As a result of this, CRSA has initiated several activities directed at improving the documentation of transition plans in member medical records. The following table identifies the number of medical records reviewed by CRS by clinic site.

Table 1
Number of Medical Records Reviewed by CRS by Clinic Site

Clinic	Records Reviewed
Yuma	20
Flagstaff	52
Tucson	124
Phoenix	151
State-wide Total	347

D. Assessment of Strengths and Weaknesses

The major strength of the proposal is the relevance and importance of the topic. This is clearly articulated in the background information section of the proposal. The document states that each year in the United States, nearly half-a-million children with special health care needs cross the threshold into adulthood. In the past those with the most severe disabilities died in childhood. Today more than 90% survive to adulthood. Thus, transition planning has become an important health care quality issue.

The proposal is silent on whether a member needed to have an encounter during the study timeframe. Members that are not actively participating in the CRS program may adversely impact the findings.

Data collection procedures identify that a data abstraction tool will be used by CRS staff to review transition plans from medical records of sampled members. However, the data abstraction tool does not identify the components of the transition plan. The staff to be used in data collection is not described. An inter-rater reliability process is identified. An analysis plan is described and basic interventions identified.

There is no doubt that transition planning is a very complex process and attempts to measure its occurrence and its impact on the quality of life must be done with great care. A clear definition of what constitutes a transition plan should have been included in the data collection methodology and included in the indicator criteria in the study design phase of the proposal. However, given that the baseline measurement is zero, this can be incorporated now without compromising the integrity of future measurements.

E. Conclusion

CYE 2006 is an intervention year for this project. CRSA is implementing activities designed to improve the transition planning process at its regional clinics. Re-measurement is planned for next year.

While the results of the baseline report were very disappointing, this is the first PIP that CRS has continued beyond the initial phase. The information from this project can be used as a foundation for building a strong transition planning program in the future.

Health-Related Quality of Life of Young Pediatric Patients in the Children's Rehabilitative Services

A. Objectives

The stated purpose of this project was to determine if participation in a multidisciplinary treatment team setting improves the psychosocial aspects of a pediatric patient's quality of life (this project was abandoned and replaced by CRSA in CYE 2006).

B. Description of the Data Collection Methodology

The study question is "What percent of the members within the study period have a change in physical and psychological function over a two year period that is equal to or exceeds that seen in the general population." The population is defined as "CRS members who are concurrently enrolled during the sampling frame." The sample is to include "enrolled members who turn 5, 6, or 7 years of age between January 1, 2006 and June 30, 2006 will be eligible for selection on their first visit in 2006." The parent or guardian of the individual in the sample would complete a ten item survey designed to measure physical and psychological functioning in children five years and older.

C. Project Summary

As written, both the purpose and the study question are so broad that measurement will not be possible. The population and sample as defined lack the specificity needed to clearly understand who is intended to be included to successfully select a sample from an automated database. The choice of ages for inclusion in the project is never explained and therefore a determination on relevance or significance can not be made. The indicator description, indicator criteria, and indicator goal discuss scores without providing the reader with any background or supporting documentation to understand what is intended. No data analysis plan was included in the initial proposal.

The original submission of this performance improvement project had so many flaws and deficiencies it appears that CRSA continues to struggle with designing a performance improvement project that would meet a minimally acceptable standard. This level of performance occurred despite the fact that a Notice to Cure had been issued just four months prior to this submission. One of the issues identified in the Notice to Cure was an inadequate level of staffing devoted to Quality Management activities. AHCCCS was justified in voicing their concerns as major change at CRSA was clearly needed.

Late in CYE 2006, a new Office Chief and a new Medical Director were appointed by CRSA. After several months of attempting to fix the Quality of Life proposal, CRSA asked to be excused from further work on the project. After much deliberation, AHCCCS agreed to allow CRSA to replace the Quality of Life proposal with a PIP on Non-Utilization Among Children's Rehabilitative Services (CRS) Members which AHCCCS approved in August of 2006. A review of that proposal will be included in the

next contract year. In August of 2006, CRSA resumed work on the PIP requirement for CYE 2003.

Notes

[1] Department of Health and Human Services, Centers for Medicare & Medicaid Services, Monitoring Medicaid Managed Care Organizations (MCOs) and Prepaid Inpatient Health Plans (PIHPS): A protocol for determining compliance with Medicaid Managed Care Proposed Regulations at 42 CFR 400, 430, et al., Final Protocol, Version 1.0, February 11, 2003, p. 1.

IV. REVIEW, ANALYSIS, AND SUMMARY OF CRSA COMPLIANCE WITH MEDICAID MANAGED CARE FEDERAL AND STATE REGULATIONS

A. Objective

The BBA requires Medicaid agencies that contract with Medicaid Managed Care Organizations (MCOs) "to develop a state quality assessment and improvement strategy that is consistent with standards established by the Department of Health and Human Services (DHHS)."[1] AHCCCS has a written Quality Assessment and Performance Improvement Strategy to comply with the BBA requirement. The document was developed with input from AHCCCS members, the public, and other stakeholders. It is reviewed annually and/or when a significant change is proposed and implemented.

AHCCCS reports Quality Strategy activities, findings, and actions to AHCCCS members, other stakeholders, contractors, the governor, legislators, and the Centers for Medicare & Medicaid Services (CMS).[2] BBA provisions apply to prepaid inpatient health plans (PIHPs), prepaid ambulatory health plans (PAHPs), and primary care case management programs (PCCMs). CRSA is classified as a prepaid inpatient health plan (PIHP). In recognition of this, the AHCCCS contract with CRSA has been modified over time to comply with these requirements. Federal requirements are broadly defined under the following categories.

- Enrollee Rights and Protections
- Quality Assessment and Performance Improvement
    - Access Standards
    - Structure and Operations Standards
    - Measurement and Improvement Standards
- Grievance System

B. Description of Data and Information Collection Methodology

On a regularly scheduled basis AHCCCS monitors and evaluates CRSA compliance with access to care, organizational structure and operations, clinical and non-clinical quality measurements, and performance improvement outcomes through the following activities.

- Annual on-site Operational and Financial Reviews
- Review and analysis of periodic reports
- Review and analysis of program specific performance indicators and Performance Improvement Projects [3]

The contract between AHCCCS and CRSA contains a detailed list of periodic reporting requirements, which has been refined and enhanced over time. In CYE 2006 the contract renewal document included a four page attachment outlining the specifics of all required reports. This level of detail had never been provided to CRSA in the past.

These reports are reviewed by AHCCCS on an ongoing basis within the department responsible for the area of the reports. In addition to these reports, the contract requires CRSA to submit the following documents to AHCCCS for review or approval.

- A CRSA Policy Manual, with copies of final policies submitted to AHCCCS at least ten business days prior to implementation
- Physician Incentive Plan Disclosures
- All subcontracts for the provision of AHCCCS covered services
- Requests for Proposals to provide AHCCCS covered services
- Legislative Proposals and Initiatives

Upon receipt by AHCCCS, the documents listed above are forwarded to the specific department at AHCCCS that has the expertise needed to analyze the content of the document. Where applicable, checklists have been developed for staff to use in the review process, ensuring that all required federal and state requirements are addressed. AHCCCS responds in writing, and either approves the document or requests revisions.

The data and information evaluated in the review process are documentation from CRSA's day-to-day operations. For example, a CRSA recipient information packet ready for mailing, a signed provider contract, the grievance log, authorization logs, and reports produced by CRSA staff are reviewed. Mock-ups are not accepted.

In addition to reviewing the deliverables described above, AHCCCS conducts an on-site review annually. The on-site review allows them the opportunity to review and validate CRSA compliance with contract requirements. AHCCCS refers to these on-site reviews as Operational and Financial Reviews (OFRs). The process used for these reviews has been refined over several years. A uniform tool is used to review each Contractor. When possible, the same staff is assigned to conduct the review in order to ensure consistency. The format of the review follows nationally recognized processes and is modeled after NCQA.

The actual on-site activities include document review, staff interviews, and observations of operations. These activities allow the review staff to get a complete picture of CRSA performance. This process is consistent with the protocol developed by CMS that includes the following recommended activities.

- Planning for the review
- Obtaining background information
- Document review
- Conducting interviews
- Collecting accessory information
- Reporting results

For contract year 2006, AHCCCS identified the following as the primary objectives for the CRSA Operation and Financial Review.[4]

- Determine if CRSA satisfactorily meets AHCCCS' requirements as specified in the CYE 06 contract, AHCCCS policies and the Arizona Administrative Code (AAC).
- Increase AHCCCSA knowledge of CRSA's operational and financial procedures.
- Provide technical assistance and identify areas where improvements can be made as well as identifying areas of noteworthy performance and accomplishments.
- Review progress in implementing recommendations made during prior Operational and Financial Reviews.
- Determine if CRSA is in compliance with its own policies and is able to evaluate the effectiveness of those policies and procedures.
- Perform oversight of CRSA as required by the Centers for Medicare & Medicaid Services in accordance with AHCCCS's 1115 waiver.
- Provide the information to an External Quality Review Organization (EQRO) for its use as described in 42 CFR Part 438.364.

Upon completion of the Operational and Financial Review, key program areas are scored according to the following scale.

- Full Compliance 90-100% agreement with standard(s)
- Substantial Compliance 75-89% agreement with standard(s)
- Partial Compliance 50-74% agreement with standard(s)
- Non-Compliance 0-49% agreement with standard(s)

A written report that includes findings and recommendations is then produced. Recommendations are made based on the following definitions.

- **CRSA must**...This indicates a critical non-compliance area that must be corrected as soon as possible to be in compliance with the AHCCCS contract.
- **CRSA should**...This indicates a non-compliance area that must be corrected to be in compliance with the AHCCCS contract, but it is not critical to the everyday operation of CRSA.
- **CRSA should consider**...This is a suggestion by the review team to improve operations of CRSA, although it is not directly related to contract compliance.

C. Description of Data and Information

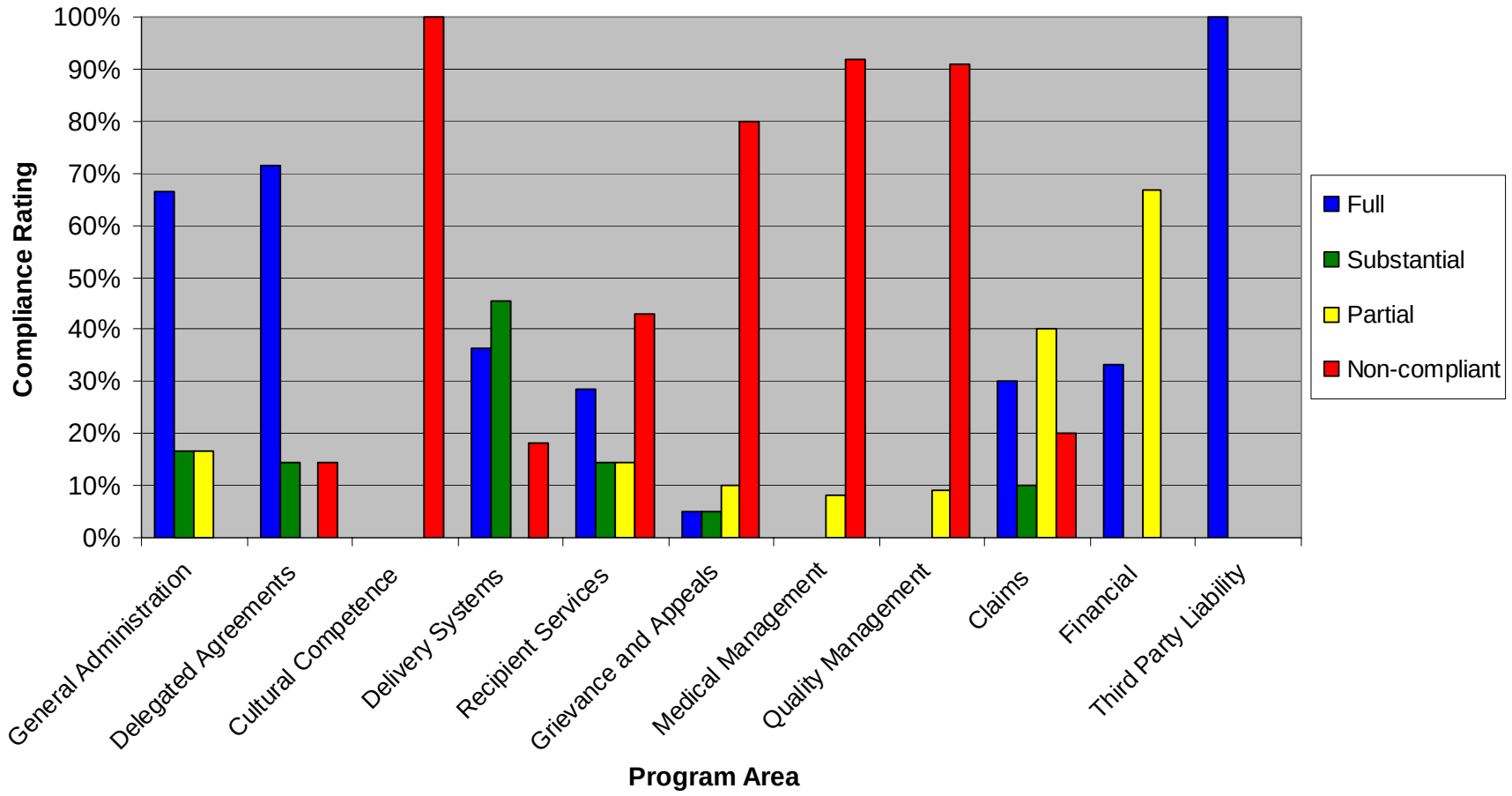
A summary of the findings for the Operational and Financial Review of CRSA for CYE 06 is displayed in Table 2 and Figure 2.

Overall, 96 standards were reviewed and scored. An additional standard was reviewed for information only, but was not included in the scoring process or in the findings displayed in Table 2 and Figure 2.

Table 2
Summary of CRS CYE 2006 OFR Findings

Program Area	Number of Standards Reviewed	Compliance Rating for Standard			
		Full	Substantial	Partial	Non-compliant
General Administration	6	(4) 66.6%	(1) 16.7%	(1) 16.7%	(0) 0%
Delegated Agreements	7	(5) 71.4%	(1) 14.3%	(0) 0%	(1) 14.3%
Cultural Competence	4	(0) 0%	(0) 0%	(0) 0%	(4) 100%
Delivery Systems	11	(4) 36.4%	(5) 45.5%	(0) 0%	(2) 18.1%
Recipient Services	7	(2) 28.6%	(1) 14.3%	(1) 14.3%	(3) 42.8%
Grievance and Appeals	20	(1) 5%	(1) 5%	(2) 10%	(16) 80%
Medical Management	12	(0) 0%	(0) 0%	(1) 8.3%	(11) 91.7%
Quality Management	11	(0) 0%	(0) 0%	(1) 9%	(10) 91%
Claims	10	(3) 30%	(1) 10%	(4) 40%	(2) 20%
Financial	3	(1) 33.3%	(0) 0%	(2) 66.7%	(0) 0%
Third Party Liability	5	(5) 100%	(0) 0%	(0) 0%	(0) 0%
Overall	96	(25) 26%	(10) 10.4%	(12) 12.5%	(49) 51%

Figure 2: Summary of CRS CYE 2006 OFR Findings



D. Review of Analysis Methodology

In its oversight of CRSA, AHCCCS uses a combination of methods designed to complement each other and provide as complete a picture as possible of CRSA operations. At least annually AHCCCS reviews and approves, or requests revisions to, critical written materials used by CRSA in fulfillment of its contract. Examples of these materials are listed below.

- Recipient handbook
- Network evaluation and management plan
- Quality Management/Utilization Management Plan and Evaluation
- Cultural Competency evaluation and management plan

These documents are formally reviewed by AHCCCS. Checklists are used to ensure that all required elements are included in the review. Staff with content expertise is used in the review process and a written response of findings is provided to CRS.

Regular meetings are held with CRSA staff to continuously review and monitor progress in selected areas, such as quality management, and ongoing performance review. In addition to review and monitoring these meetings provide a forum for ongoing education, technical assistance, and guidance to CRSA staff.

AHCCCS conducts an annual on-site Operational and Financial Review that includes a review of subcontractor contracts, credentialing files, interviews with staff, and observations of selected operations. AHCCCS utilizes a master review tool that incorporates all state and federal requirements. CRS is not an AHCCCS Acute Care and/or ALTCS health plan. Therefore, the Acute Care Contractor Review Tool was modified by AHCCCS for use in conducting the CRS OFR. Not all items are reviewed each year. However, all are reviewed at least every three years. Special areas of interest identified by AHCCCS may be included in the review as information only and are not included in the scoring of the review.

In addition, AHCCCS regularly obtains feedback from the Acute Care/ALTCS Contractors on CRSA issues. The Acute Care/ALTCS Contractors are likely to be the first to know if CRS recipients or providers are having difficulty navigating the CRS system. They report these problems to AHCCCS on an ongoing basis. A monthly meeting with health plan Medical Directors provides a forum to keep this dialogue open. The CRSA Medical Director attends these meetings. In combination, these oversight activities provide AHCCCS with an accurate assessment of CRSA compliance with state and federal requirements.

E. Assessment of Strengths and Weaknesses

During the period of this review, CRSA had been operating under a Notice to Cure that had been issued 12 months earlier in June 05. The Notice to Cure was issued as a result of major quality of care and quality management concerns identified by AHCCSA. The

contract year reviewed for this report began one month after the Notice to Cure was issued. Therefore it is no surprise that the findings of the CYE 2006 Operational and Financial Review demonstrate that CRSA has many opportunities for improvement. As can be seen from the overall findings displayed in Table 2, only 26% of the standards reviewed were in full compliance and 51% of the standards reviewed were found to be non-compliant. The program areas with the poorest performance are as follows.

- Cultural Competence 100% non-compliance
- Medical Management 91.7% non-compliance
- Quality Management 91% non-compliance
- Grievance and Appeals 80% non-compliance

In the area of Cultural Competence only four standards were reviewed. CRSA was unable to document that its subcontractors were providing culturally sensitive materials to recipients or adequately training their staff. Most of the recommendations made in this area were made in CYE 2005. CRSA has amended the CYE 2007 contracts with the regional clinics to require them to have a cultural competency training program and to submit documentation of attendance to CRSA.

A total of twelve (12) Medical Management standards were reviewed. None of the standards were found to be in compliance. The major issues identified include the following findings.

- Over- and under-utilization of Services is not monitored. While CRSA does have a written policy on over and under-utilization of services, it has not been fully implemented. The critical data elements to be collected, reviewed, and trended have not been identified. High risk, high cost services have not been identified and tracked. This is true for both members and providers. In essence, CRSA does not appear to use utilization data to drive decisions or actions.

- The prior authorization process is inadequate and incomplete. Reasons for denials are not clearly documented and Medical Director involvement in the decision-making process is often lacking. The Notice of Action letters sent to members are outdated and not in compliance.

These issues are long-standing and were identified in previous reviews. CRSA hired a new executive management team in the latter part of the contract year and a renewed commitment to contract compliance was made. This is evident in the Utilization Management and Medical Management Plan and Evaluation approved by AHCCCS in April 2006. The OFR findings confirm significant work has occurred in policy development, but not enough time has passed to document full implementation or for analyzing results.

Eleven (11) Quality Management standards were reviewed. As with Medical Management, none of the standards achieved full or substantial compliance. The major issues identified in this area are highlighted below.

- The current health information system is unable to support the needs of the Quality Management/Quality Improvement Program. Most of the data collected by CRSA from the Regional Clinics is collected by hand. No quality control procedures are in place to review the reported data for accuracy, completeness, or consistency.

- The peer review process continues to be inadequate. CRSA is not following the policy approved by AHCCCS, no regularly scheduled committee meetings are documented, and providers have not been informed of the peer review process or peer review grievance procedure. In addition, it is still unclear which quality of care cases are referred for peer review.

- The complaint process for quality of care concerns continues to be inadequately monitored, reviewed, and resolved. Clear documentation of this process continues to be lacking.

- Monitoring and oversight of the Regional Clinics continues to be inadequate. While the delegated functions and responsibilities are defined in a written agreement with the Regional Clinics, CRSA is not monitoring compliance on an ongoing basis. Follow up on corrective actions is not monitored and documented.

As with Medical Management, these have been long-standing problems and were identified in previous reviews. Anticipated improvements in this area are reflected in the newly approved (April 2006) CRS Quality Management Plan.

In the area of Grievance and Appeals 90% of the twenty (20) standards reviewed were rated as partially compliant or non-compliant. This program area was selected by AHCCCS for an in depth review of CRS this year. More standards were reviewed in this program area than any other. The major issues identified in this area centered on the timeliness of reviews and decisions, the notification sent to members and providers, and the required language for appeals. These problems were all identified in the CYE 2005 Operational and Financial Review and should have been corrected by this contract year. CRSA continued to use outdated templates for communicating critical service decisions to members and providers. Use of letters with outdated information is a significant quality issue requiring immediate correction by CRSA.

As displayed in Table 2, other than in the area of Third Party Liability, where the 5 standards reviewed were found to be in full compliance, no other program area achieved full compliance or substantial compliance at the 75% level. However, when full compliance and substantial compliance is combined three program areas score above 80%. The program areas with the strongest performance include the following.

- Delegated Agreements 85.7% compliance (full + substantial compliance)
- General Administration 83.3% compliance (full + substantial compliance)
- Delivery Systems 81.9% compliance (full + substantial compliance)

In the Delegated Agreements program area, CRSA, with the addition of a written periodic schedule for review of contractor compliance, already has the draft documents in place to achieve 100% compliance. This represents significant progress since the previous review. Implementation and follow through with these corrective actions must occur during the next contract year to achieve full compliance at the next Operational and Financial Review by AHCCCS.

Significant progress has been made in the General Administration area. During CYE 2006 restructuring and reorganization occurred which addressed the long-standing staffing problems plaguing CRSA. A new Office Chief and a new Medical Director were appointed and two new Quality Management positions were added. In addition, a document on policy development, review, and approval was written. If implemented in July 2006 as indicated in their corrective action plan, this program area should demonstrate continued improvement at the next review.

Modest program changes in the Delivery Systems area could result in full compliance in this area. Updating the provider manual and improving the eligibility determination process to include complete documentation of notification, and ongoing monitoring of the regional clinics would boost compliance in this area.

F. Comparison to the CYE 2005 Review

Comparisons to the CYE 2005 review are displayed in Table 3. Only those program areas that were reviewed in both years were included in the analysis and presentation. These results should be reviewed with the following limitations in mind. The standards reviewed from year-to-year may not be the same. Since AHCCCS conducts these reviews on a three year cycle this variation is expected. The number of standards reviewed from year-to-year also varies. In CYE 2005, 159 standards were reviewed while in CYE 2006, 96 standards were reviewed. The Utilization Management program area was renamed to the Medical Management program area in CYE 2006 and some program standards were moved from one program area to another. Staff conducting the reviews may not be the same from year-to-year. Despite these limitations, some changes in compliance can be seen from year-to-year.

The most significant improvement occurred in the area of General Administration. Full compliance went from 21.4% in CYE 2005 to 66.6% in CYE 2006. In addition, non-compliance went from 42.8% in CYE 2005 to 0% in CYE 2006. The improvements in this area are attributed to the increase in staffing levels and the restructuring and organizational changes made during the year.

Significant improvement was noted in Delivery Systems where non-compliant at 42.9% in CYE 2005 dropped to 18.1% in CYE 2006. While no improvement was noted at the full compliance level, the substantial compliance level improved from 9.5% in CYE 2005 to 45.5% in CYE 2006. Improvement in this area is the result of significant policy development during the past year. Continued work is needed in the implementation, data

generating, and analysis areas before improvement toward full compliance can be achieved.

Compared to the review conducted in CYE 2005, improvement was noted in the area of Recipient Services. Full compliance went from 16.77% to 28.6%, substantial compliance improved from 0% to 14.3%, and non-compliance dropped from 75% to 42.8% in CYE 2006. The improvement in this section is almost solely attributed to the improvements made to the New Recipient Orientation Packet, which was approved by AHCCCS in CYE 2006. Despite the improvements noted above, more program areas worsened during CYE 2006 than improved compared to CYE 2005.

G. CYE 2004 to CYE 2006 Trends

When comparing trends over three years as illustrated in Table 4, it becomes apparent that overall there is no real improvement in full compliance and minor improvement in substantial compliance from 6.6% in CYE 2004 to 10.4% in CYE 2006. Some improvement was made in partial compliance, which went from 21.3% in CYE 2004 to 12.5% in CYE 2006, and non-compliance worsened during that same period of time from 45.9% to 51%.

H. Conclusion

As is evident from the data, CRSA is in full compliance with only 26% of the standards reviewed in CYE 2006 and is non-compliant in 51% of the standards reviewed. Although there has been limited improvement in a few areas, the overall level of compliance has not changed appreciably over the past three years. CRSA was unable to demonstrate significant improvement despite the corrective action plans it was required to submit following the previous reviews. The corrective action plans suggested a commitment to addressing identified deficiencies and implementing recommended changes, but many of the necessary changes have yet to be implemented.

In CYE 2006, CRSA did address long-standing staffing issues by adding new positions to the Quality Management Department. The final Quality Management/Utilization Management Plan, which was revised based on AHCCCS recommendations, was not reviewed and accepted by CRSA's Executive Management Team until 3/15/06, just three months before the Operational and Financial Review was conducted.

The Quality Management Evaluation conducted by CRSA acknowledged that many activities scheduled for completion were not done and that the start dates for many activities dated back to October and December 2004. CRSA has been very slow in addressing identified problems and deficiencies. However, the evaluation appears to be complete and supports the findings of the review. If CRSA implements the policies developed during this contract year, significant improvement should be demonstrated in the CYE 2007 review.

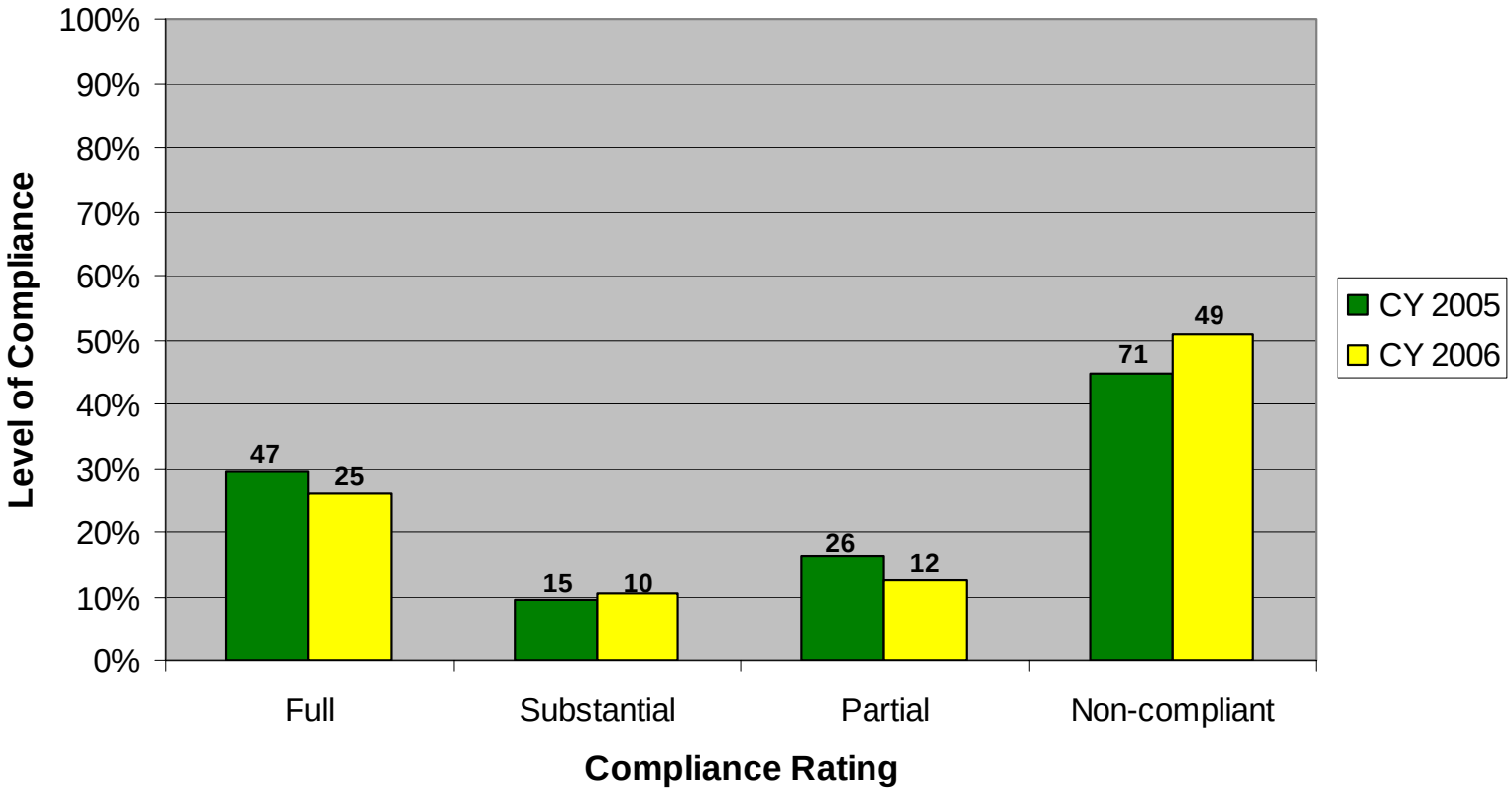
Table 3
Selected Comparison of CRS CY 2005 and 2006 OFR Findings

Program Area	Number of Standards Reviewed		Compliance Rating for Standard							
			Full		Substantial		Partial		Non-compliant	
	CY 2005	CY 2006	CY 2005	CY 2006	CY 2005	CY 2006	CY 2005	CY 2006	CY 2005	CY 2006
Delivery System	21*	11	38.1%	36.4%	9.5%	45.5%	9.5%	0.0%	42.9%	18.1%
Recipient Services	12*	7	16.7%	28.6%	0.0%	14.3%	8.3%	14.3%	75.0%	42.8%
Grievance and Appeals	20	20	45.0%	5.0%	45.0%	5.0%	0.0%	10.0%	10.0%	80.0%
Utilization/Medical Mgmt.	19	12	5.3%	0.0%	5.3%	0.0%	15.8%	8.3%	73.7%	91.7%
Quality Management	17*	11	29.4%	0.0%	5.9%	0.0%	29.4%	9.0%	35.3%	91.0%
Cultural Competency	9	4	0.0%	0.0%	0.0%	0.0%	55.5%	0.0%	44.4%	100.0%
General Administration	14	6	21.4%	66.6%	7.1%	16.7%	28.5%	16.7%	42.8%	0.0%
Overall	159	96	29.6%	26.0%	9.4%	10.4%	16.4%	12.5%	44.7%	51.0%

* excludes standards reviewed for "Information Only" and "Not Applicable"

Figure 3.1: Comparison of Overall OFR Findings for CY 2005 and 2006

Total Number of Standards Reviewed CY '05=159; CY '06=96



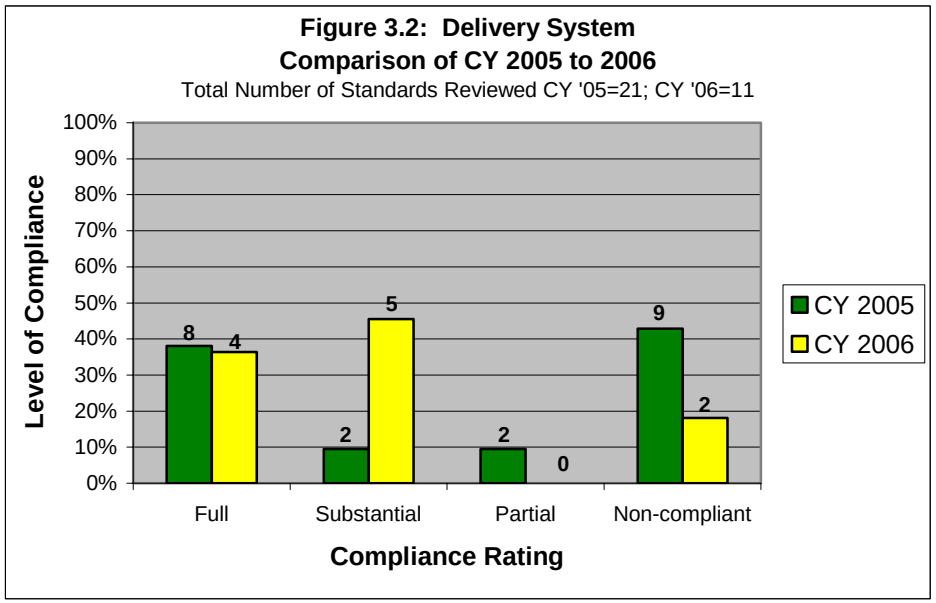


Figure 3.2: Delivery System
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=21; CY '06=11
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
8
4
2
5
2
0
9
2
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

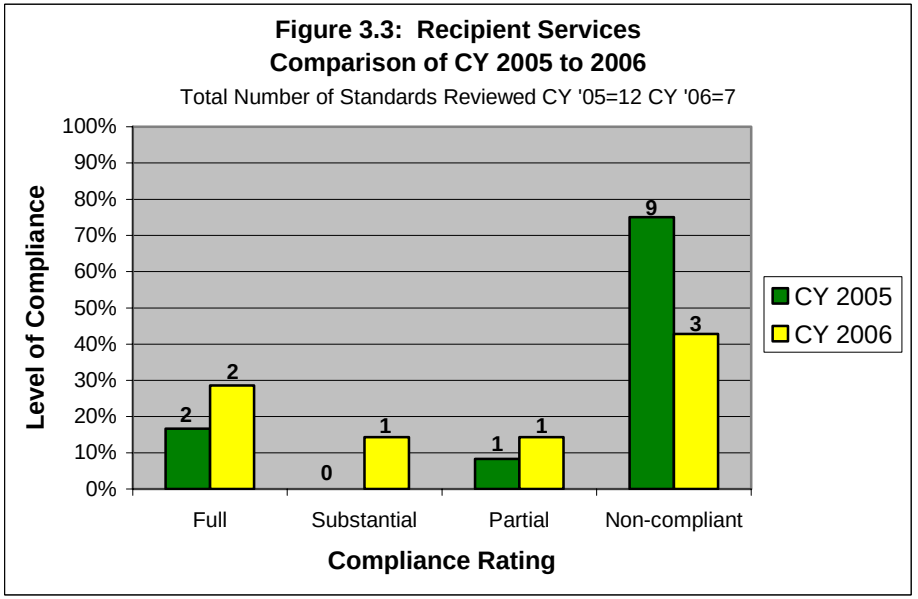


Figure 3.3: Recipient Services
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=12 CY '06=7
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2
2
0
1
1
1
9
3
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

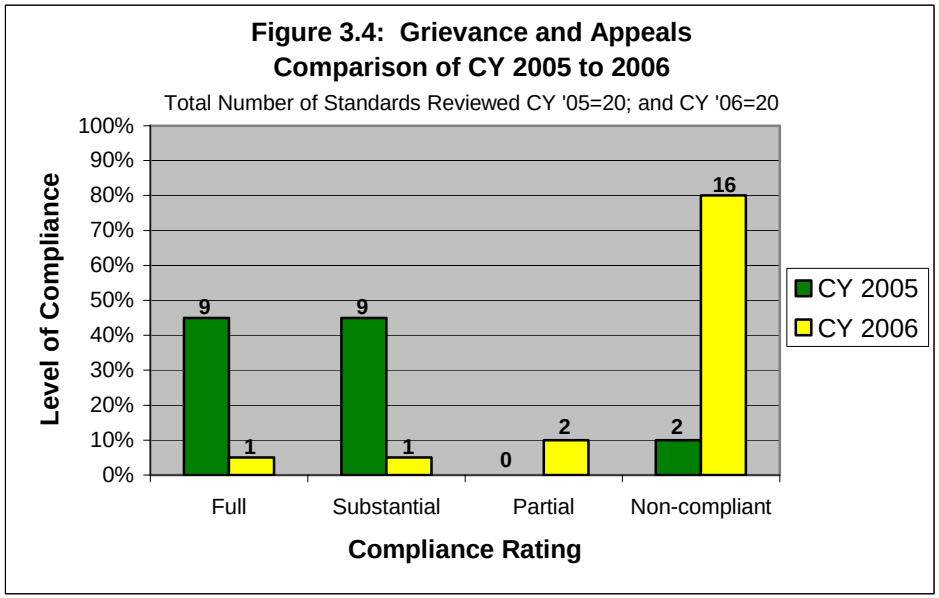


Figure 3.4: Grievance and Appeals
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=20; and CY '06=20
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
9
1
9
1
0
2
2
16
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

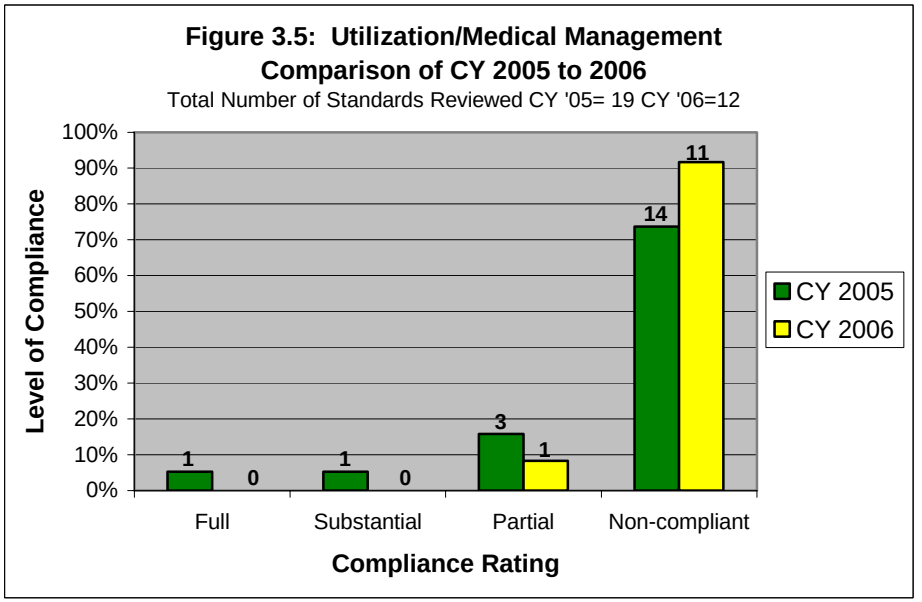


Figure 3.5: Utilization/Medical Management
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05= 19 CY '06=12
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
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0
1
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3
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14
11
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

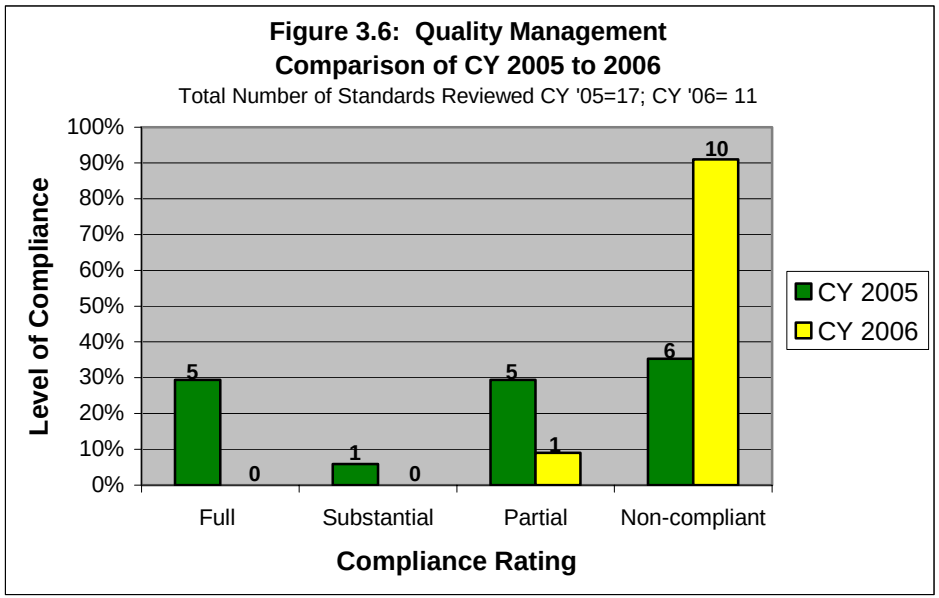
Figure 3.6: Quality Management
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=17; CY '06= 11
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
5
0
1
0
5
1
6
10
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

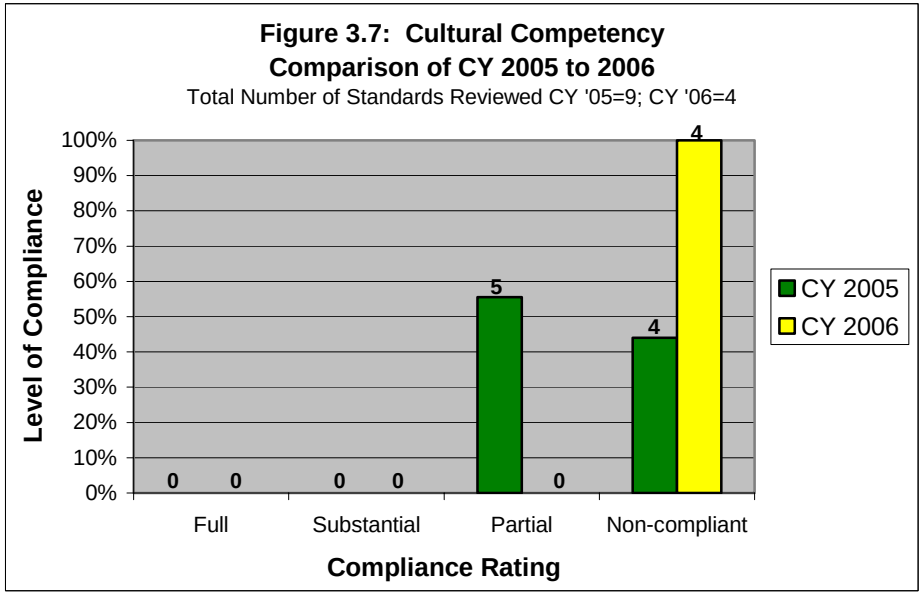
Figure 3.7: Cultural Competency
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=9; CY '06=4
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
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0%
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4
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

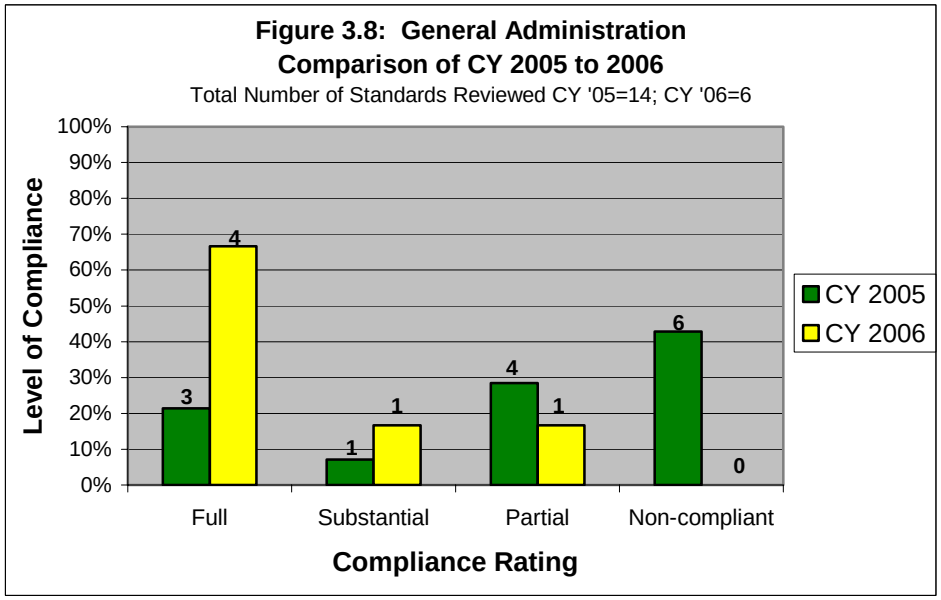
Figure 3.8: General Administration
Comparison of CY 2005 to 2006
Total Number of Standards Reviewed CY '05=14; CY '06=6
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
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1
4
1
6
0
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2005
CY 2006

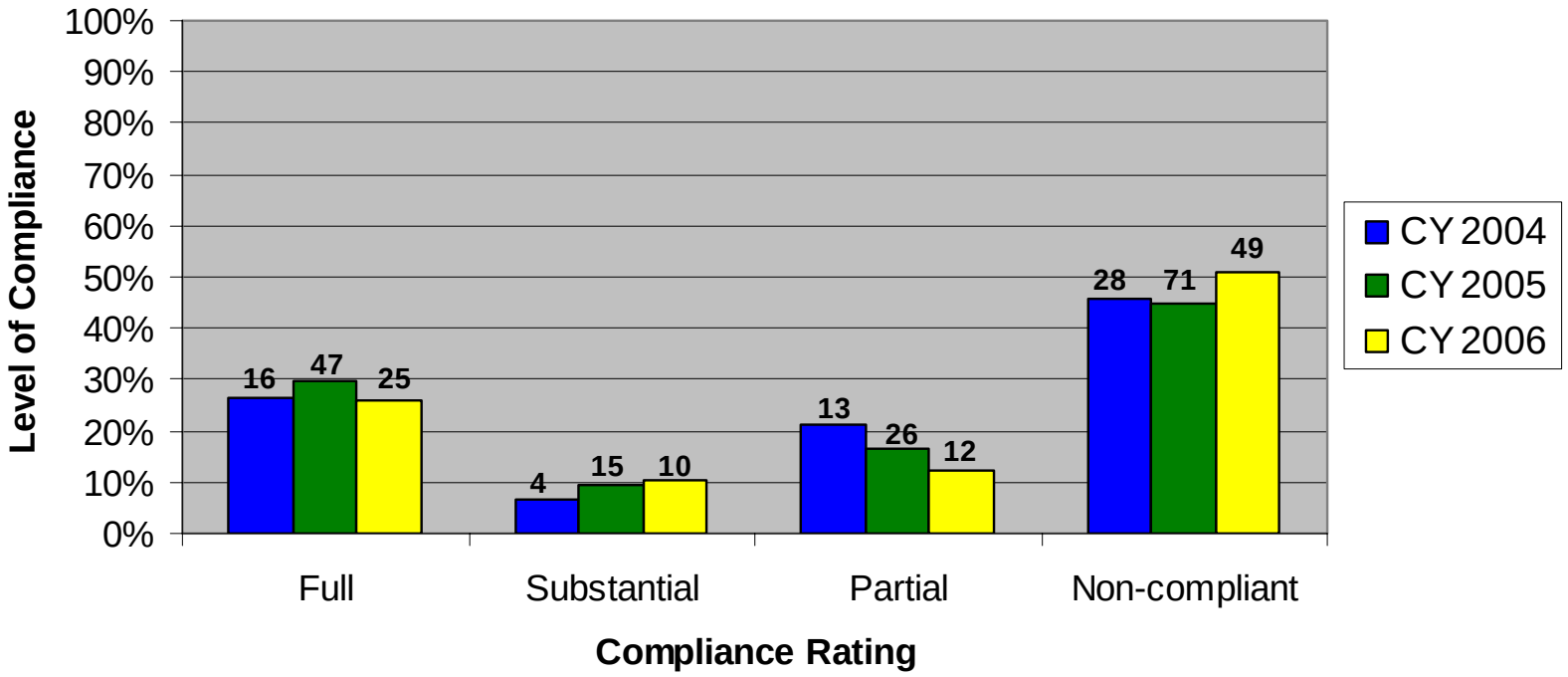
Table 4
Selected Comparison of CRS CY 2004, 2005, and 2006 OFR Findings

Program Area	Number of Standards Reviewed			Compliance Rating for Standard											
				Full			Substantial			Partial			Non-compliant		
	CY '04	CY '05	CY '06	CY '04	CY '05	CY '06	CY '04	CY '05	CY '06	CY '04	CY '05	CY '06	CY '04	CY '05	CY '06
Delivery System	14	21*	11	28.6%	38.1%	36.4%	0.0%	9.5%	45.5%	7.1%	9.5%	0.0%	64.3%	42.9%	18.1%
Recipient Services	9	12*	7	11.1%	16.7%	28.6%	0.0%	0.0%	14.3%	33.3%	8.3%	14.3%	55.5%	75.0%	42.8%
Grievance and Appeals	2	20	20	50.0%	45.0%	5.0%	0.0%	45.0%	5.0%	50.0%	0.0%	10.0%	0.0%	10.0%	80.0%
Utilization/Medical Mgmt.	10	19	12	20.0%	5.3%	0.0%	0.0%	5.3%	0.0%	10.0%	15.8%	8.3%	70.0%	73.7%	91.7%
Quality Management	4	17*	11	25.0%	29.4%	0.0%	25.0%	5.9%	0.0%	0.0%	29.4%	9.0%	50.0%	35.3%	91.0%
Cultural Competency	10	9	4	30.0%	0.0%	0.0%	30.0%	0.0%	0.0%	30.0%	55.5%	0.0%	10.0%	44.4%	100.0%
General Administration	9	14	6	33.3%	21.4%	66.6%	0.0%	7.1%	16.7%	22.2%	28.5%	16.7%	44.4%	42.8%	0.0%
Overall	61	159**	96	26.2%	29.6%	26.0%	6.6%	9.4%	10.4%	21.3%	16.4%	12.5%	45.9%	44.7%	51.0%

* excludes standards reviewed for "Information Only" and "Not Applicable"
** excludes Corporate Compliance, Financial Management, Claims, and Encounters as these were not reviewed in CY 2004

Figure 4.1: Comparison of Overall OFR Findings CY 2004, 2005, and 2006

Total Number of Standards Reviewed CY '04=61; CY '05=159; CY '06=96



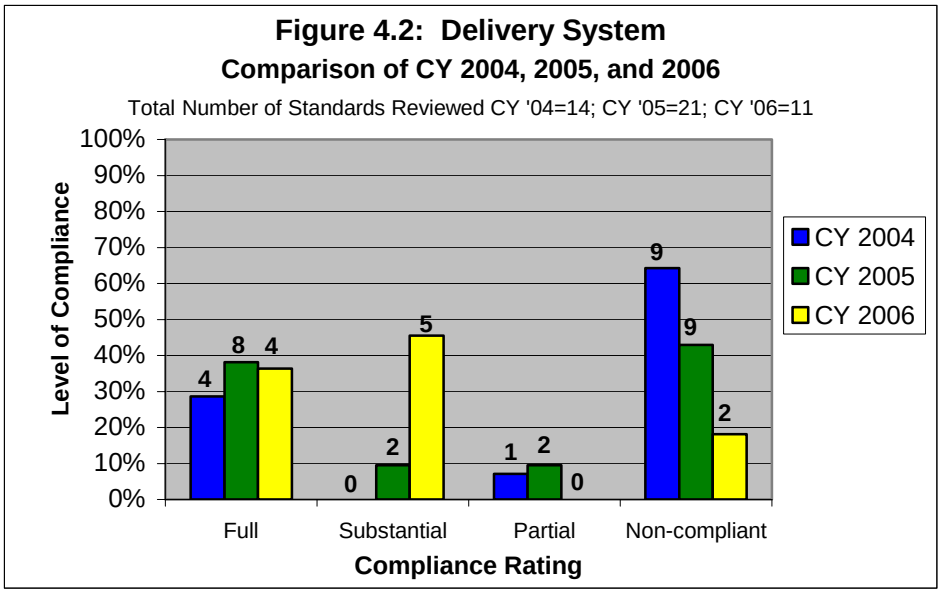


Figure 4.2: Delivery System
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=14; CY '05=21; CY '06=11
Level of Compliance
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90%
80%
70%
60%
50%
40%
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Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2004
CY 2005
CY 2006

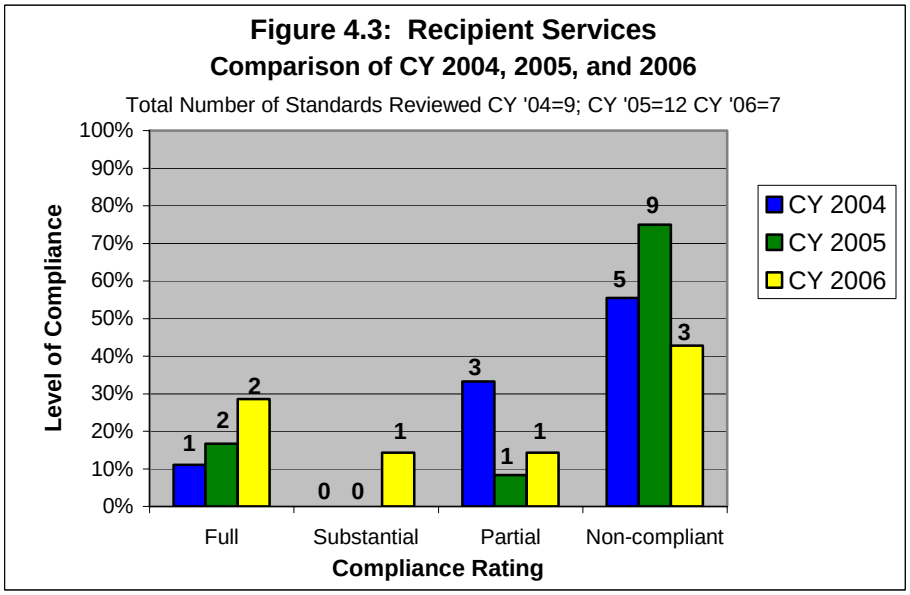
Figure 4.3: Recipient Services
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=9; CY '05=12 CY '06=7
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
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Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2004
CY 2005
CY 2006

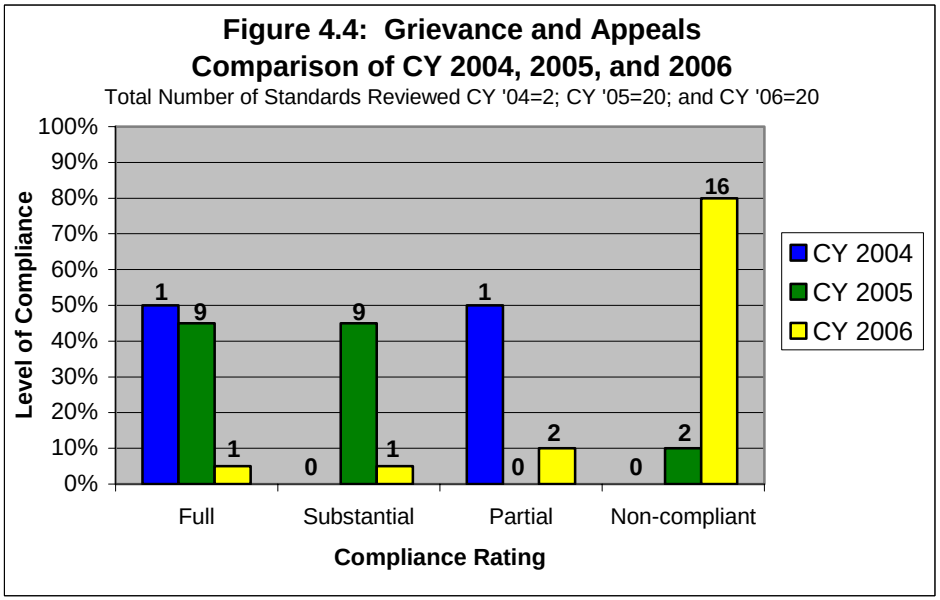
Figure 4.4: Grievance and Appeals
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=2; CY '05=20; and CY '06=20
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
1
9
1
0
9
1
1
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2
0
2
16
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2004
CY 2005
CY 2006

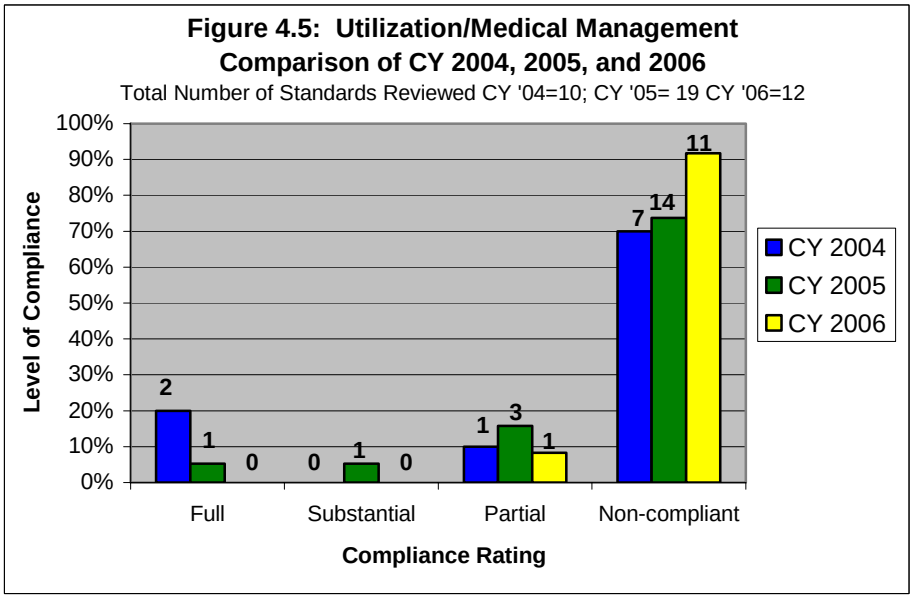


Figure 4.5: Utilization/Medical Management
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=10; CY '05= 19 CY '06=12
Level of Compliance
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2
1
0
0
1
0
1
3
1
7
14
11
Full
Substantial
Partial
Non-compliant
Compliance Rating
CY 2004
CY 2005
CY 2006

Figure 4.6: Quality Management
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=4; CY '05=17; CY '06= 11

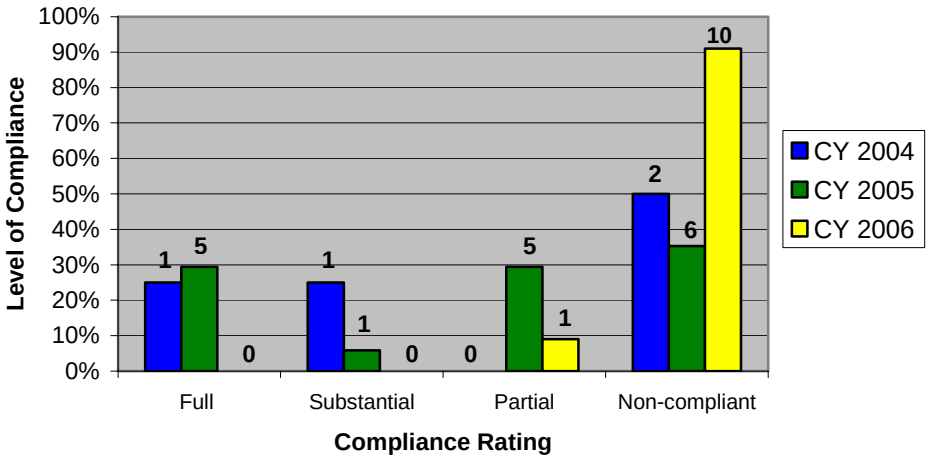


Figure 4.7: Cultural Competency
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=10; CY '05=9; CY '06=4

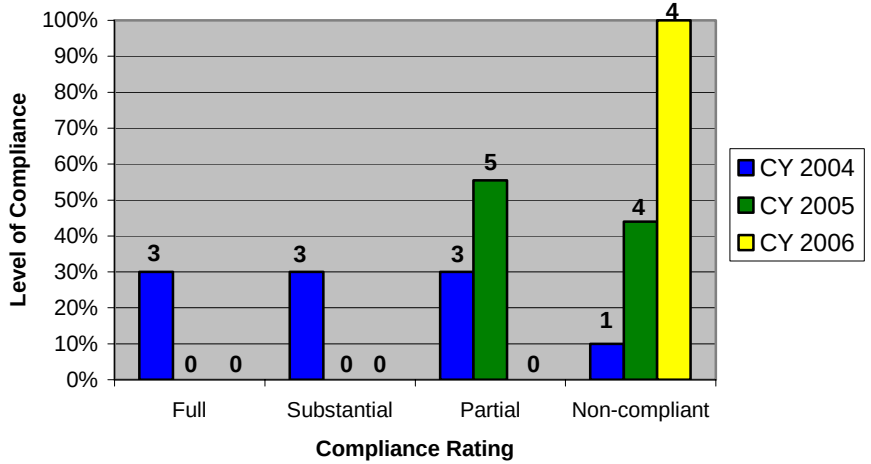
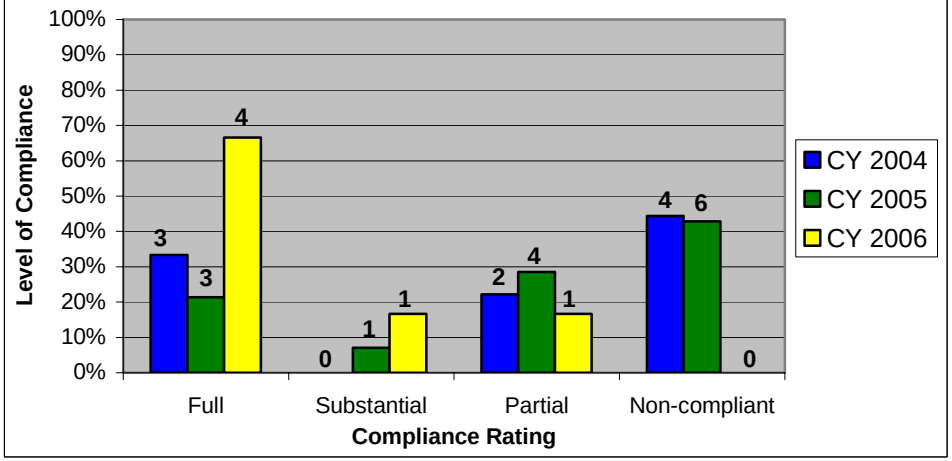


Figure 4.8: General Administration
Comparison of CY 2004, 2005, and 2006
Total Number of Standards Reviewed CY '04=9; CY '05=14; CY '06=6



Notes

[1] Department of Health and Human Services, Centers for Medicare & Medicaid Services, Monitoring Medicaid Managed Care Organizations (MCOs) and Prepaid Inpatient Health Plans (PIHPS): A protocol for determining compliance with Medicaid Managed Care Proposed Regulations at 42 CFR 400, 430, et al., Final Protocol, Version 1.0, February 11, 2003, p. 1.

[2] State of Arizona Health Care Cost Containment System, Quality Assessment and Performance Improvement Strategy, October 2005, p. 3.

[3] DHS, CMS Region IX, p. 8.

[4] AHCCCS, CRSA OFR CYE 05 Operational and Financial Review, p. 4.

V. SUMMARY AND RECOMMENDATIONS

Summary

CRS is a unique program that provides a limited scope of services to a special needs population of disabled or potentially disabled children. Due to the unique nature of this program the usual standards used to evaluate quality of care and service such as HEDIS® measures are not relevant to CRS. In addition, all Medicaid eligible CRS children are concurrently enrolled with an AHCCCS Acute Care/ALTCS Contractor for their primary health care needs. This presents some challenges to measuring and evaluating the quality of care and/or service delivered by the CRS program.

After working with CRSA, AHCCCS established three performance measures unique to the CRS program. The methodology to be used and minimum performance standards for each measure were included in the CYE 2006 contract renewal. During the period of review, CRSA had not been able to provide reliable data for AHCCCS to validate performance measures.

Despite close monitoring, technical assistance, and oversight by AHCCCS, CRSA continues to struggle with the design, implementation, and completion of performance improvement projects. During CYE 2005, CRSA failed to complete the WeeFIM project started in 2003. Instead a project on Quality of Life was proposed at the beginning of CYE 2006. This project was dropped at the proposal stage and replaced with a project on Non-utilization of Services Among Children's Rehabilitative Services Members. This was ultimately approved and interventions should be in progress in CY 2007.

The performance improvement project "Improving Pediatric to Adult Transition Services for Youth" designed by AHCCCS and included in the CYE 2006 contract has moved forward. A baseline report was submitted and ultimately accepted by AHCCCS. Interventions will continue through CY 2007. Over the past four years CRSA has failed to complete a single performance improvement project. During CYE 2006 a new Office Chief, a new Medical Director and two additional staff members were added in the CRS Quality Management area. It is anticipated that these changes will have a positive impact on quality improvement initiatives in CY 2007.

The results of the CYE 2006 Operational and Financial review of CRSA were below minimum standards. Only 26% of the standards reviewed in CYE 2006 were rated at full compliance. The level of compliance has not changed appreciatively over the past three years despite the Corrective Action Plans submitted following the previous reviews. The CAPs reflected a commitment to addressing deficiencies and implementing recommended changes, but many of these actions have not been implemented.

While overall improvement was not evident, many positive changes have occurred at CRSA during this contract year. CRSA addressed long-standing staffing issues, and added new positions to its Quality Management staff. Significant progress was made in policy development but additional time is necessary before evidence of implementation can be demonstrated.

Recommendations

CRSA should develop an internal monitoring process to ensure that corrective action plans are implemented, sustained, and completed. On numerous occasions CRSA has submitted corrective action plans that meet compliance standards and then failed to implement them.

CRSA should develop a process for ongoing review and monitoring of the Regional Clinics for contract compliance. This should include all delegated functions and responsibilities. The process should be well defined, objective and include documentation of findings, and a written report to all stakeholders. CRSA should consider adopting the AHCCCS Operational and Financial Review process, which is already developed and well documented.

CRSA should develop, implement, and document a process for monitoring performance measures on a quarterly basis. It should address the data problems identified by AHCCCS in the initial submission and reduce the likelihood of further problems with performance measures.

CRSA should evaluate their information systems to determine whether or not existing data applications are capable of supporting business needs and take appropriate action. Many areas of non-compliance are impacted by the inability to automate daily business functions.

CRSA should define the basic data elements required to be reported by the Regional Clinics. This should ensure uniformity, consistency, and timeliness. The systems requirements needed to support this should be identified and shared with the clinics.

CRSA should develop, implement, monitor, and document a process for ensuring that staff utilizes approved policies and procedures on a daily basis in the performance of their job responsibilities. The CYE 2006 Operational and Financial Review cited many instances where policies were written but not implemented.

CRSA should ensure that staff throughout the organization is using the current, approved version of all legal notices sent to members and providers. The area of Grievance and Appeals performed poorly during this year's Operational and Financial Review due to the use of an outdated Notice of Action letter template.

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APPENDIX

Periodic Report Requirements for CRSA

ATTACHMENT B: PERIODIC REPORT REQUIREMENTS

The following table is a summary of the reporting requirements for CRSA and is subject to change at any time during the term of the contract. The table is presented for convenience only and should not be construed to limit CRSA's responsibilities in any manner.

Annual Reports

Report	Reporting Period	Due Date	AHCCCS Contact
Written Description of Covered Services (Sec. D., ¶3, Coordination of Care)	Annual	July 1	DHCM, BH/CRS Operations
Medical Eligibility Criteria Policy (Sec. D., ¶6, Eligibility for Services)	Annual	July 1	DHCM, BH/CRS Operations
Clinic Contact List (Sec. D., ¶3, Coordination of Care)	Annual	July 1	DHCM, BH/CRS Operations
Business Continuity and Recovery Plan Summary (Business Continuity and Recovery Plan Policy)	Annual	July 15	DHCM, BH/CRS Operations
Cultural Competency Plan and Assessment of Effectiveness (Sec. D., ¶48, Cultural Competency)	Annual	August 14	DHCM, BH/CRS Operations
Provider Network Development and Management Plan (Sec. D., ¶18, Network Management)	Annual	August 14	DHCM, BH/CRS Operations
CRSA's Organizational chart and related documents (Sec. D., ¶11, Staff Requirements and Support Services)	Annual	August 31	DHCM, BH/CRS Operations
Recipient Handbook (Sec. D., ¶9, Recipient Information)	NA	September 1	DHCM, BH/CRS Operations
Recipient Survey Tool, Sample,. Distribution Methodology and Timeline (Sec. D., ¶56, Survey)	Annual	90 days prior to the intended start	DHCM, BH/CRS Operations
Recipient Survey Results and Analysis (Sec. D., ¶56, Survey)	Annual	Within 45 days of the completion	DHCM, BH/CRS Operations

Report	Reporting Period	Due Date	AHCCCS Contact
Analysis of Encounter Data, Detailed by Member, for all Services Received by CRS Recipients (Sec. D., ¶35, Data Exchange Requirements)	Annual	Within 6 months of receipt from AHCCCS	DHCM, BH/CRS Operations
Draft Annual Audit Report (Sec. D., ¶21, Financial Operations)	Prior contract year	September 30	DHCM, Financial Manager
Draft Management Letter (Sec. D., ¶21, Financial Operations)	Prior contract year	September 30	DHCM, Financial Manager
Final Annual Audit Report (Sec. D., ¶21, Financial Operations)	Prior contract year	October 31	DHCM, Financial Manager
Final Management Letter (Sec. D., ¶21, Financial Operations)	Prior contract year	October 31	DHCM, Financial Manager
Accountant's Report on Compliance (Sec. D., ¶21, Financial Operations)	Prior contract year	October 31	DHCM, Financial Manager
Reconciliation – Annual Audit and Plan Year-to-Date Financial Report Information (Sec. D., ¶21, Financial Operations)	Prior contract year	October 31	DHCM, Financial Manager
Financial Disclosure Report (Sec. D., ¶21, Financial Operations)	Prior contract year	October 31	DHCM, Financial Manager
Performance Improvement Project Proposal (Initial/baseline year of the project) (Sec. D., ¶13, QM/UM)	Annual	October 1	DHCM, CQM
Performance Improvement Project Re-measurement Report (Sec. D., ¶13, QM/UM)	Annual	October 1	DHCM, CQM
Performance Improvement Project Final Report (Sec. D., ¶13, QM/UM)	Annual	October 1	DHCM, CQM
Quality Management/Utilization Management Plan and Evaluation (Sec. D., ¶13, QM/UM)	Annual	October 1	DHCM, CQM

Quarterly Reports

Report	Reporting Period	Due Date	AHCCCS Contact
AHCCCS Quarterly Appeal and Claims Dispute Report (Sec. D ¶47, AHCCCS Quarterly Appeal and Claim Dispute Report)	July 1 – Sept. 30 Oct. 1 – Dec. 31 Jan. 1 – March 30 April 1 – June 30	November 14 Feb. 15 May 15 August 14	DHCM, BH/CRS Operations
Clinic Contact List (Sec. D ¶3, Coordination of Care)	NA	July 1 October 1 January 1 April 1	DHCM, BH/CRS Operations
Quarterly QM Report	July 1 – Sept. 30 Oct. 1 – Dec. 31 Jan. 1 – March 30 April 1 – June 30	November 14 Feb. 15 May 15 August 14	DHCM, CQM
Quarterly UM Report	July 1 – Sept. 30 Oct. 1 – Dec. 31 Jan. 1 – March 30 April 1 – June 30	November 14 Feb. 15 May 15 August 14	DHCM, Medical Management
Quarterly Financial Report (Sec. D., ¶21, Financial Operations)	July 1 – Sept. 30 Oct. 1 – Dec. 31 Jan. 1 – March 30 April 1 – June 30	November 30 February 28 May 31 August 31	DHCM, Financial Manager
Certification Statement (Sec. D., ¶21, Financial Operations)	July 1 – Sept. 30 Oct. 1 – Dec. 31 Jan. 1 – March 30 April 1 – June 30	November 30 February 28 May 31 August 31	DHCM, Financial Manager

Monthly Reports

Report	Due Date	AHCCCS Contact
Corrected Pended Encounter Data (Attachment E, Encounter Submission Requirements)	Monthly according to established schedule	DHCM, Encounter Administrator
New Day Encounter (Attachment E, Encounter Submission Requirements)	Monthly according to established schedule	DHCM, Encounter Administrator

Ad Hoc Reports

Report	Due Date	AHCCCS Contact
Changes in CRSA Key Staff (Sec. D., ¶11, Staff Requirements and Support Services)	Within 7 days of change	DHCM, BH/CRS Operations
Medical Eligibility Criteria Policy (Sec. D., ¶6, Eligibility for Services)	Upon revision	DHCM, BH/CRS Operations

Report	Due Date	AHCCCS Contact
Written Description of Covered Services (Sec. D., ¶3, Coordination of Care)	Upon revision	DHCM, BH/CRS Operations
Network Impairment Notice (Sec. D., ¶18, Network Management)	Within 1 day of awareness	DHCM, BH/CRS Operations
Subcontractor Non-Compliance and the Corrective Measures Taken (Sec. D. ¶40, Subcontractor Compliance with Contract Requirements)	Within 5 working days of any action taken	DHCM, BH/CRS Operations
Eligible Person Fraud/Abuse Report (Sec. D., ¶51, Corporate Compliance and Attachment A, ¶13, Fraud and Abuse)	Within 10 working days of discovery	Office of Program Integrity Manager
Provider Fraud/Abuse Report (Sec. D., ¶51, Corporate Compliance and Attachment A, ¶13, Fraud and Abuse)	Within 10 working days of discovery	Office of Program Integrity Manager
Medical Records for Data Validation (Attachment E, Encounter Submission Requirements)	90 days after the request received from AHCCCSA	DHCM, Encounter Administrator
Third Party Change Form (Sec. D., ¶30, Coordination of Benefits and Third Party Liability)	Within 10 days of discovery	Division of Member Services

[END OF ATTACHMENT]